

Exhibit M

JOSEPH TAPLITZKY
NAFTALI vs NEW YORK DEFERRED EXCHANGE

October 17, 2019

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1
2 UNITED STATES DISTRICT COURT
3 EASTERN DISTRICT OF NEW YORK
4 -----

5 ORA NAFTALI AND RONI NAFTALI,
6 AS TRUSTEES OF THE EDTOM TRUST,

7 Plaintiffs.

8 v.

9 NEW YORK DEFERRED EXCHANGE CORP.,
10 AND JEFFREY L. Wechsler,

11 Defendants.
12 -----

13 NEW YORK DEFERRED EXCHANGE CORP.,

14 Counterclaim Plaintiff,

15 v.

16 ORA NAFTALI AND RONI NAFTALI,
17 AS TRUSTEES OF THE EDTOM TRUST,

18 Counterclaim Defendants.
19 -----

20 NEW YORK DEFERRED EXCHANGE CORP.

21 Third-Party Plaintiff,

22 v.

23 ORA NAFTALI AND RONI NAFTALI,

24 Third-Party Defendants.
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DEPOSITION OF JOSEPH TAPLITZKY

October 17, 2019

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ORA NAFTALI AND RONI NAFTALI,
Third-Party Counterclaim Plaintiffs,
v.
NEW YORK DEFERRED EXCHANGE CORP.,
Third-Party Counterclaim Defendants,

ORA NAFTALI AND RONI NAFTALI,
Third-Party Cross-Claim Plaintiffs,
v.
JEFFREY L. WECHSLER,
Third-Party Cross-Claim Defendants.

JEFFREY L. WECHSLER,
Third-Party Plaintiff,
v.
JOSEPH TAPLITZKY,
Third-Party Defendant.

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Deposition of JOSEPH TAPLITZKY, the
Third-Party Defendant herein, pursuant to Order,
held at Hinshaw & Culbertson, 800 Third Avenue,
New York, New York, commencing at 10:30 a.m, and
before Helene Gruber, a certified shorthand
reporter and notary public within and for the
state of New York.

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A P P E A R A N C E S :

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ALSO PRESENT:

JEFFREY WECHSLER

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IT IS HEREBY STIPULATED AND AGREED
That all objections, except to the form of
The question, shall be reserved to the time
Of the trial;

IT IS FURTHER STIPULATED AND AGREED
That the within deposition may be signed
Before any Notary Public with the same force
And effect as if signed and sworn to by the
Court.

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2 Q. Has anyone, as far as you are aware,
3 ever filed any complaints against you
4 concerning that license?

5 A. Never.

6 Q. I believe you testified earlier that
7 you know what a 1031 exchange is?

8 A. Correct.

9 Q. How did you come to learn what a 1031
10 exchange is?

11 A. Through our company, they give us --
12 they teach you about the different vehicles
13 that you have to assist your buyers, sellers,
14 and one of them was a 1031 exchange, and
15 through -- not a seminar. Maybe a small talk
16 or course, and understanding how 1031 exchange
17 works, what it is, and how does it work.

18 Q. Did this training include any written
19 materials? Did they give you any handouts,
20 anything like that?

21 A. I don't recall. It was 11 years ago
22 exactly.

23 Q. Prior to the closing of the sale of
24 Unit 42U, had you had any discussions with the
25 Naftalis about using a 1031 exchange in

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2 connection with the sale?

3 A. It came out organically as we were
4 closing.

5 Q. At the closing table?

6 A. At the closing table.

7 Q. How did it come out? Can you
8 describe that?

9 A. Yes. We were doing the closing, and,
10 you know, you get a big check, and through my
11 recollection, you know, Jeffrey said, you know,
12 It's a fine thing. What are you going to do
13 with the money? It's a big check, seven
14 digits.

15 And Mr. Naftali said, you know,
16 Deposit it in my bank account.

17 We kind of said, or I mentioned it
18 possibly, you know, you can defer the taxes
19 that you have to pay, and Mr. Naftali knew
20 that he has to pay taxes on his revenues. He
21 knew that, and he was prepared, and he wanted
22 to pay. There was no problems at all.

23 And we said, You can defer your
24 taxes if you take the proceeds and apply them
25 towards buying something else.

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2 I mean, there was a talk, and it was
3 me and Jeff as well explained.

4 I don't remember exactly what he
5 said in words, but we were both explaining. I
6 think he used the terminology, more
7 professional terminology, you have 45 days,
8 the whole thing.

9 And what I recall clearly that
10 Mr. Roni Naftali asked, at least twice, so at
11 any given point if it -- you know, if he
12 doesn't find any property, you know, that he
13 likes, or if he doesn't want to do this
14 particular exchange, he can back out and get
15 his money, you know.

16 And Jeff told him yes, and, you
17 know, you can get -- you can cancel the
18 exchange at any point, and you will get the
19 money, and as your obligation, you have to pay
20 the taxes.

21 Obviously he mentioned it; you will
22 get it and have to pay the tax that you owe,
23 and that was it. That was at the closing
24 table.

25 Q. Subsequent to that discussion, the

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2 Naftalis decided to enter into a 1031 exchange,
3 right?

4 A. Yes.

5 Q. Did you review the 1031 exchange
6 agreement with them?

7 A. Prior to them deciding, we -- yes.

8 MR. SUN: Object to form. You can
9 answer.

10 A. Yes. We were at Mr. Jeffrey
11 Wechsler's office at the same day of the
12 closing. The closing happened in the morning.
13 I don't remember which time in the morning
14 time.

15 We went to his office in the
16 afternoon, somewhere between four and six. I
17 don't remember, but I know it was somewhere in
18 the range of four to six, and he had forms
19 prepared, and he told us take a minute to
20 review and make sure your name is spelled
21 correctly. I literally recall it like it was
22 today -- yesterday.

23 And we read it. It was plain black
24 and white agreement, that the 1031, you have
25 45 -- they had all the information over there.

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2 I explained to them this is what he
3 explained earlier, and their names are there,
4 and you have to sign it. They took about five
5 to ten minutes to read it, yes.

6 Q. Did the Naftalis ask you any
7 questions about the documents?

8 A. They did not, but they asked again
9 before they signed, Roni Naftali asked again,
10 if at any point he is going to want to cancel
11 this, he gets all his money back and
12 everything, and nothing happens.

13 And Jeffrey said, Yes; there's no
14 problem. If you don't want this, even next
15 week, you can call and cancel.

16 Q. And at the end of this review and
17 this discussion, the Naftalis signed the
18 document?

19 A. Yes.

20 Q. Can I ask you to take a look at what
21 was previously marked today as Exhibit A. Now,
22 you testified earlier about the part of the
23 email where you wrote, "I take care of the
24 trust." Do you remember testifying about that?

25 A. Where are you?